

AMENDED IN ASSEMBLY MARCH 26, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 393

Introduced by Assembly Member Coto

February 15, 2007

An act to add Section 17205 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL’S DIGEST

AB 393, as amended, Coto. Personal income tax: deduction: qualified mortgage insurance.

The Personal Income Tax Law, in conformity with federal income tax law, allows a deduction for qualified residence interest, as defined, paid or accrued during the taxable year.

This bill would, in conformance with federal law, treat premiums paid or accrued for qualified mortgage insurance, as defined, on or after January 1, 2007, and before January 1, 2008, as qualified residence interest, for purposes of that deduction.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 17205 is added to the Revenue and*
- 2 *Taxation Code, to read:*
- 3 *17205. (a) Sections 163(h)(3) and 163(h)(4) of the Internal*
- 4 *Revenue Code, as amended by Section 419 of the Tax Relief and*
- 5 *Health Care Act of 2006 (Public Law 109-432), relating to*

1 *qualified residence interest and other definitions and special rules,*
2 *shall apply, except as otherwise provided, to amounts paid or*
3 *accrued on or after January 1, 2007, and before January 1, 2008.*

4 *(b) This section shall become operative for mortgage insurance*
5 *premiums paid or accrued on or after January 1, 2007, and before*
6 *January 1, 2008.*

7 ~~SECTION 1. Section 17205 is added to the Revenue and~~
8 ~~Taxation Code, to read:~~

9 ~~17205. Section 163 of the Internal Revenue Code, as amended~~
10 ~~by Section 419 of the Tax Relief and Health Care Act of 2006,~~
11 ~~relating to premiums paid or accrued for mortgage insurance on~~
12 ~~or after January 1, 2007, and before January 1, 2008, shall apply.~~

13 SEC. 2. This act provides for a tax levy within the meaning of
14 Article IV of the Constitution and shall go into immediate effect.